97-84093-11

American Steamship Association

A comparison: the American ship, the foreign...

New York

[1915?]

97-84093-11
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

308
Z
Box 148 American steamship association, New York.
A comparison: the American ship, the foreign ship; the legal and artificial difficulties under which the American ship suffers in its effort to engage in over-seas or international trade, comp. by American steamship association. New York [1915?]
7 p. 27½ cm.

On cover: Restoration of the American merchant marine.

ONLY ED

RESTRICTIONS ON USE: Reproductions may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm REDUCTION RATIO: 14:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 5/20/97 INITIALS: TLM

TRACKING # : MSH 22985

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

RESTORATION

OF THE

AMERICAN MERCHANT MARINE

308
Z
Bx 148

A COMPARISON

The American Ship *The Foreign Ship*

The legal and artificial difficulties under which the American ship suffers in its effort to engage in over-seas or international trade

Compiled by
American Steamship Association
17 Battery Place, New York, N. Y.

Initial Cost

American

The following is a part of the testimony submitted to the Merchant Marine Commission, which held sessions all over the United States in 1905:

Mr. C. B. Orcutt, President of the Newport News Shipbuilding and Dry Dock Company, which is the largest shipyard in the United States, stated that he had been furnished the dimensions of an up-to-date tramp steamer which he could not undertake to duplicate for less than $250,000.

He also stated that he had been requested to bid on a freight steamer of certain dimensions, and his tender was for $260,000.

Mr. R. P. Schwerin, Vice-President of the Pacific Mail Steamship Company, stated that when the construction of the "Korea" and "Siberia" was under discussion they had bids from three large shipyards in Great Britain and from the Union Iron Works and the Newport News Shipbuilding and Dry Dock Company in this country; the Union Iron Works bid was $1,350,000 for each steamer; the bid of the Newport News Company was $3,563,000 for both;

That the "Mongolia" and the "Manchuria" were contracted for in the United States at $1,850,000 each;

That they obtained figures in this country for the building of two ships of the same type as their steamer "Algoa," and the bids were for $625,000 each.

Mr. Robert Dollar, steamship operator on the Pacific Coast, stated that he had recently awarded a contract to a foreign builder for a 7000-ton steamer. The American bid was $150,000.

Mr. James C. Gorman, operating steamships between American and foreign ports, presented the figures for a steamer called the "Maine," built in 1903 for his firm by the Maryland Steel Company, Baltimore, net register tonnage 5077, at a cost of $985,983.

Mr. James Rolph, Jr., President of the Shipowners' Association of the Pacific Coast, stated that one of the largest shipowners on the Pacific Coast who was endeavoring to develop trade between the Pacific Coast and the Orient had found the tenders of the American shipyards so high for a ship which he desired to order that he had gone to Great Britain. The ship was of 7000 tons dead-weight capacity, and the identical specifications had been submitted to American and foreign yards. The American bids were for $385,000 in one case, and $415,000 in another.

Mr. George E. Bartol, operating fruit steamers in the West India fruit trade, stated that on bids obtained by him for a small steamer suitable for the fruit trade, the figures, if built in the United States, were from $110,000 to $120,000.

The Commissioner of Navigation of the United States, in his report for 1900, gives the cost of two cargo vessels built in the United States, upon which bids had been obtained from British shipbuilders. The contract price was $275,000.

Foreign

This steamer, named the "King David," was built in England for $123,000.

An English builder tendered his price as $125,000, and secured the order.

The lowest English bid was $800,000, and the highest $1,200,000.

The British bid was $400,000 less per ship.

Foreign builders tendered for $452,000 each.

The foreign contract price was for $195,456.

He also stated that his firm had had the steamer "Michigan" built by Harland & Wolff, Belfast, Ireland, in 1898, net registered tonnage 6118, and of the same type as the "Maine," at a cost of $885,289.

This ship was contracted for in a foreign country for about $200,000.

The foreign bid was for $80,000.

The British bid was for $214,000.

American

Mr. John Craig, President of the Craig Shipbuilding Company, Toledo, Ohio, stated that his firm and two firms in the United States had recently been asked to name a price at which they would build a ship to carry 3000 tons dead weight, and had bid $240,000, whereupon the party desiring the offer showed Mr. Craig an offer on the same specifications.

Admiral F. T. Bowles, formerly Chief Constructor of the United States Navy, and later President of the Fore River Ship and Engine Company, Quincy, Mass., stated that the high cost of construction in American shipyards is attributable to the high rates of wages paid skilled mechanics here, that he knew that the average wage, exclusive of foremen, draughtsmen and superintendents, paid in American shipyards was about $2.00 per day, and that about 75 per cent of the cost of a ship was represented in wages to operatives.

In shipyards in the United States you may see a large tugboat in one slip, a river steamer in the next, a cruiser in another, and a battleship or a large passenger steamer in the next. While this diversity of product may result in better all-around knowledge of the trade on the part of the shipbuilder and his operatives, yet it interferes very materially with the cheapening of the product.

Foreign

The foreign offer was for $130,000.

The average wages paid to the same class of operatives in the British shipyards is about $1.50 per day.

The enormous tonnage ordered from shipbuilders in Great Britain every year enables them to standardize to a greater extent than in any other country. Some yards build only large cargo boats, others only high-speed steamships, others only naval vessels, topedo-boats and destroyers, and others small craft from 5000 tons down.

Operation

American

Mr. Frank Waterhouse, operator of trans-Pacific steamships under the American flag, testified:

"The following is an approximate comparison of the fixed charges of our steamers 'Shawmut' and 'Tremont,' which were operating from Puget Sound to the Orient, and the fixed charges of the British steamers 'Keemun,' 'Ningchow' and 'Oanfa,' in opposition to our steamers to the same ports, the vessels all being of almost exactly the same tonnage, same carrying capacity, and having the same carning power:"

Steamers Shawmut or Tremont:	Fixed Charge per Diem, Each
Corporation expenses and taxes	$ 19.00
Insurance	109.58
Interest	136.99
Depreciation	136.99
	$402.56

Foreign

Steamers Keemun, Ningchow, or Oanfa:	Fixed Charge per Diem, Each
Corporation expenses and taxes	$ 8.79
Insurance	65.75
Interest	82.20
Depreciation	82.20
	$238.94

Wages

American

Mr. Fields S. Pendleton, President of the Atlantic Carriers' Association, testified that the steamship "David," operating out of Gulf ports under the American flag, worked 23 men under union wages for $1,235 per month. The vessel was transferred to the Norwegian flag by the same owners, in the same trade.

Mr. R. P. Schwerin, Vice-president of the Pacific Mail Steamship Company, submitted the following comparative crew lists, showing wages paid per month on steamers owned and operated by the Pacific Mail Steamship Company under the American flag, versus competitive steamers operated under foreign flags:

Foreign

Monthly wages under the Norwegian flag, $680.

Wages—Continued

American

S. S. "Acapulco," gross tonnage 2572, operating between San Francisco and Panama, total monthly wages account $3,060.

S. S. "City of Sydney," gross tonnage 3017, operating between San Francisco and Panama, total monthly wages account, $3,230.

S. S. "Newport," gross tonnage 2735. operating between San Francisco and Panama, total monthly wages account, $2,905.

S. S. "China," gross tonnage 5060, operating between San Francisco and Hong Kong, total monthly wages account, $3,175.52.

S. S. "Aztec," gross tonnage 3508, operating between San Francisco and Hong Kong, total monthly wages account, $2,695.

S. S. "Aztec," gross tonnage 3508, operating between San Francisco and Hong Kong, total monthly wages account, $2,695.

S. S. "Aztec," gross tonnage 3508, operating between San Francisco and Hong Kong, total monthly wages account, $2,695.

Foreign

S. S. "Palena" (British), gross tonnage 2553, operating between San Francisco and Valparaiso, total monthly wages account, $1,535.56.

S. S. "Aconcagua" (Chilean), gross tonnage 2761, operating between Valparaiso and Ocos, total monthly wages account, $1,048,88.

S. S. "Linari" (British), gross tonnage 2647, operating between Valparaiso and Ocos, total monthly wages account, $1,629.08.

S. S. "America Maru" (Japanese), gross tonnage 6307, operating between San Francisco and Hong Kong, total monthly wages account, $2,709.

S. S. "Titania" (Norwegian), gross tonnage 3613, operated as a tramp on Pacific Ocean, total monthly wages account, $614.12.

S. S. "Canterbury" (British), gross tonnage 3508, operating between London and Pacific Coast, total monthly wages account, $901.01.

S. S. "On Sang" (British), gross tonnage 2802, tramp between San Francisco and Hong Kong, total monthly wages account, $1,054.71.

Crews

American

American steamers capable of engaging in international trade must carry the following licensed officers, all of whom must be American citizens: Captain, first mate, second mate, third mate, chief engineer, first assistant engineer, second assistant engineer, third assistant engineer, a total of eight.

Under United States law it is obligatory to carry one more licensed mate and two more licensed engineers than are required by British law.

Mr. Robert Dollar, operating trans-Pacific steamers under the British flag and coastwise steamers under the American flag, testified before the Merchant Marine Commission that more men are required in the engine-room of an American ship than on a British ship. The British ship would require, say, 6 men in the engine-room, and whenever we put an American flag on her she requires 9. With a British ship employing a Chinese crew three oilers are required, who are taken from among the firemen at their regular wages, and no water-tenders are required. Under the American flag, even if we carry a Chinese crew, three oilers must be carried at $45.00 per month, and three water-tenders at the same wage, and also an extra engineer at $75.00 per month.

Foreign

British ships must carry the following licensed officers; aliens are permitted to qualify for these licenses: Captain, first mate, second mate, chief engineer, second engineer.

Subsistence

American

The statutory standard scale of provisions on American ships is admittedly higher than those of other nations. On American ships the food furnished generally has been much in excess of that prescribed by law, this having been found necessary to attract and hold competent crews. Statute has not brought this about, and statute would not change it.

Foreign

Food is a matter of national taste, and doubtless the German, Norwegian, Italian, Japanese or Chinaman is as well satisfied with the diet furnished him as he would be with the American bill of fare, notwithstanding that it costs considerably less.

Subsistence—Continued

American **Foreign**

Mr. R. P. Schwerin, Vice-President of the Pacific Mail Steamship Company, submitted the following table to the Merchant Marine Commission:

Steamer	Number of Crew.	Actual cost to Pacific Mail S. S. Company feeding crew per diem.	Cost based on Government regulations would be per diem.
Acapulco	66	$ 32.30	$ 23.76
Barracouta	60	29.90	21.60
City of Panama	60	29.90	21.60
City of Para	71	34.80	25.56
City of Peking	85	40.85	30.60
City of Sydney	70	34.45	25.20
Costa Rica	58	28.85	20.88
Newport	62	30.70	22.32
Peru	70	34.45	25.20
San Jose	60	29.90	21.60
San Juan	60	29.90	21.60
Total		$356.00	$259.92

Cost of feeding crew if government regulations only were furnished..... $259.92

Difference represents cost to Pacific Mail Steamship Company per diem in excess of government requirements ..... $ 96.08

The higher standard of living obtaining throughout the United States, due to climatic conditions and the abundance and variety of our food supplies, imposes an expenditure upon the American shipowner which his competitor for the world's trade is not obliged to meet.

Licenses

American **Foreign**

Under United States law there are 16 grades of marine engineer licenses, viz.:

Chief Engineer of ocean steamers,
Chief Engineer of condensing, lake, bay and sound steamers,
Chief Engineer of non-condensing lake, bay and sound steamers,
Chief Engineer of condensing river steamers,
Chief Engineer of non-condensing river steamers,
First Assistant Engineer of ocean steamers,
First Assistant Engineer of condensing lake, bay and sound steamers,
First Assistant Engineer of non-condensing lake, bay and sound steamers,
First Assistant Engineer of condensing river steamers,
First Assistant Engineer of non-condensing river steamers,
Second Assistant Engineer of ocean steamers,
Second Assistant Engineer of condensing lake, bay and sound steamers,
Second Assistant Engineer of non-condensing lake, bay and sound steamers,
Second Assistant Engineer of condensing river steamers,
Third Assistant Engineer of ocean steamers,
Third Assistant Engineer of condensing lake, bay and sound steamers,

Licenses—Continued

American

It is worthy of comment, in this connection, that the United States Navy before the abolition of the Engineer Corps, had but four grades of engineers.

In the United States it takes at least six years to qualify for the position of Chief Engineer. The minimum requirements are: Three years' service in a subordinate capacity in the engine-room, 1 year as Third Assistant Engineer, 1 year as Second Assistant Engineer, and 1 year as First Assistant Engineer; if the candidate has served 3 years' apprenticeship in a machine-shop ashore, he has to serve but 1 year in a subordinate capacity in the engine-room of a ship, and thereafter the same period in the various grades of licensed engineers, in which case he has to serve a total of 7 years before he can qualify as Chief Engineer. This represents 1 year more at least, and in the case of the machine-shop apprentice two years more, than the British Chief Engineer.

This is based on the assumption that a man will be advanced in each grade at the expiry of the minimum limit, which never occurs. As the American engineer has the greater number of grades to pass through, his period of probation is in actual practice increased still further.

It actually requires a longer period to qualify as Chief Engineer of an American steamer than it would require the same man to qualify as a physician or a lawyer, even in those States in which the requirements for admission to those professions are the most drastic.

Foreign

Under British law there are but 3 grades of certificates for licensed engineers, one of which is merely honorary and not required by law. The legally required certificates are: Chief Engineer and Second Engineer, without variation as to the route operated on. Under British law marine engineers must serve an apprenticeship of at least 3 years ashore in an engine-shop, thereafter 1 year in a subordinate capacity in the engine-room of a ship. It is therefore possible for a British engineer to obtain his Second Engineer's certificate at the expiry of 4 years, and his Chief Engineer's certificate at the expiry of 5 years.

Tonnage Measurements

American — Foreign

By the Act of March 2, 1895, the admeasurement laws of the United States were brought into substantial accord with the laws of Great Britain and other maritime nations. They are not, however, precisely alike.

The difficulty seems to arise not from a lack of uniformity of the laws themselves, but from the varying constructions put by administrative officials in the United States and abroad upon certain phrases of marine architecture, such as "upper deck," "permanent closed-in space," "shelter-space," "open to the weather," "under cover," etc., for which allowances have to be made.

The consequence is that American vessels are usually given a greater tonnage than the same vessel would have if under a foreign flag and her harbor and light dues in foreign ports are greater.

Boiler Tests and Fusible Plugs

American

A ruling of the Steamboat Inspection Service, Department of Commerce, of July 30, 1909, made it compulsory to have an auxiliary feed line enter all boilers of steam vessels through an opening and a fitting entirely independent of the fitting and opening for the main feed. This cost one steamship line $18,000.

A ruling by the same Department, June 30, 1914, makes it mandatory to fit fusible plugs in all boilers of steam vessels except water-tube boilers. This makes it necessary for one line to fit 1,160 plugs, costing $5,120, with $2,500 annually for renewals, as each plug must be renewed every four months. To carry out this requirement involves delay, during which a ship's running expenses continue.

Foreign

Great Britain and other foreign nations do not consider it necessary to make these exactions.

Inspection Laws

American

Under American law the requirements as to inspection of steamers are mandatory. Section 4417 of the Revised Statutes of the United States reads:

"The local inspectors shall, once in every year, at least, carefully inspect * * * * * * * * and shall satisfy themselves * * * * * * * * "

Section 4453 of the Revised Statutes of the United States reads:

"In addition to the annual inspection, the local inspectors shall examine, at proper times, steamers arriving and departing to and from their respective ports, so often as to enable them to detect any neglect to comply with the requirements of law, etc., etc."

Foreign

The Merchant Shipping Act of Great Britain, under the caption of the duties of the Board of Trade Surveyors, reads:

"A surveyor of ships in the execution of his duties may go on board any steamship at all reasonable times and inspect the steamer * * * * * * * * * not necessarily delaying or detaining the ship from proceeding on any voyage."

British law is more considerate of the requirements of the ship, which may mean a matter of considerable expense to the owner.

Marine Investigations

American

In the United States inquiries of this sort are conducted in camera by Federal inspectors, bereft of power to compel the attendance of witnesses, save the licensed officers over whom they have jurisdiction; the parties on trial are not represented by counsel, and it even happens that in some cases an engineer sits in judgment of a navigator on a charge of faulty navigation, or that a supervising inspector, without any training whatever in engineering, is called upon to review the findings of a board which investigated the conduct of a marine engineer.

Foreign

When a British ship meets with an accident the circumstances are investigated by a court of inquiry presided over by a jurist, assisted by nautical assessors, who are generally experienced shipping men of high standing; the trial is conducted under the rules of judicial procedure, and the defendants are represented by counsel; the hearings are public, and the court is vested with power to subpœna witnesses.

Stowaways

American

A stowaway is one who steals a ride at sea, and under our immigration law he cannot be landed in this country without the steamship company being liable to a penalty, so that the ship is obliged to carry him back to the foreign port.

Under United States law the stowaway is considered a civil debtor.

Foreign

Under British law the stowaway is liable to fine or imprisonment, or both, and he is considered a petty thief, without any good reason why he should not be punished as such.

Pending Legislation

American

The so-called Seamen's Bills, now pending before Congress, one of which has passed the House of Representatives and the other the United States Senate, will, admittedly, increase the crews of American and foreign ships entering and clearing from American ports. This will militate against American ships in competition with foreign ships for international trade other than that exported from or imported to the United States. It will also militate against our foreign commerce to the extent that foreign competitors of American producers will have lower rates of freight from their ports, where such large crews are not required by law, than shipowners can quote from American ports.

Foreign

The International Conference on Safety at Sea, which concluded its sessions in London early during the present year, refused to consider the drastic features of these bills when presented, clearly recognizing them as clumsy devices on the part of the Seamen's Union to unnecessarily increase and control the crews of the ships of all nations. This International Conference had been called at the instance of the United States, and the delegates represented the fourteen leading maritime nations of the world.

Summary

Initial Cost — See Page 2

American	Foreign
Tramp steamer "King David," American estimate $250,000.	Built in England for $123,000.
Freight steamer, American estimate $260,000.	Built in England for $125,000.
Trans-Pacific freight and passenger steamers "Korea" and "Siberia," lowest American estimate $1,350,000 each.	Lowest English bid $800,000.
Trans-Pacific steamers "Mongolia" and "Manchuria," American estimate $1,850,000 each.	English bid $1,450,000 each.
7000-ton tramp steamer for Dollar Steamship Co., American bid $450,000.	Built abroad for $195,456.
Steamer "Maine," 5077 tons, built in United States for $985,983.	Steamer "Michigan," 6118 tons, same type, built in England for $885,260.
7000-ton trans-Pacific steamer, lowest American bid $385,000.	Built abroad for $200,000.
Steamer for West Indies fruit trade, lowest American bid $110,000.	Foreign bid for $80,000.
Two cargo vessels built in United States for $275,000 each.	Bid obtained from British builders, $214,000 each.
American estimate on 3000-ton dead weight ship, $240,000.	Foreign estimate, $130,000.

Operation — See Page 3

	American	Foreign
Taxes, insurance, interest and depreciation, per diem, each steamer, same size and same earning power.	Str. "Shawmut," "Tremont" $402.56	Str. "Keemun," "Ningchow," "Vanfa" $238.94

Wages, Per Month — See Page 3

American	Foreign
S. S. "David," $1,235	S. S. "David" (transferred to Norwegian flag), $680.
S. S. "Acapulco," 2372 gross tons, $3,060.	S. S. "Palena," 2553 gross tons, $1,535.56.
S. S. "City of Sydney," 3017 gross tons, $3,230.	S. S. "Aconcagua," 2761 gross tons, $1,048.88.
S. S. "Newport," 2735 gross tons, $2,905.	S. S. "Linari," 2647 gross tons, $1,629.08.
S. S. "China," 5060 gross tons, $3,175.52.	S. S. "America Maru," 6507 gross tons, $2,709.
S. S. "Aztec," 3508 gross tons, $2,695.	S. S. "Canterbury," 3508 gross tons, $901.01.

Officers and Crews — See Page 4

American		Foreign	
Licensed deck officers	4	Licensed deck officers	3
Licensed engineer officers	4	Licensed engineer officers	2
Water tenders	3	Water tenders	None

Subsistence — See Page 4

American about 50 per cent higher than abroad, owing to higher standard of living obtaining throughout United States.

Licenses — See Page 5

American	Foreign
Sixteen grades of marine engineers' licenses.	Only two British.

Tonnage Measurement — See Page 6

Substantially same in all countries, but not precisely so. United States makes less allowances than foreign nations, consequently higher tonnage here than on same type of ship abroad. This increases all ship charges based on tonnage.

Boiler Tests and Fusible Plugs — See Page 6

American	Foreign
Obligatory in America.	Not required abroad.

Inspection Laws — See Page 7

American	British
Mandatory.	Must not delay steamer.

Stowaways — See Page 7

American	British
Considered a civil debtor, and steamship company liable if allowed to enter the country in violation of immigration laws.	Liable to fine or imprisonment.

22385

END OF
TITLE